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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2015-4

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO ORDER NO. 2378

(March 12, 2015)

The United States Postal Service hereby provides its response to Order No. 2378, which was issued on March 6, 2015. In that Order, the Commission remanded the proposed rates for Standard Mail, Periodicals, and Package Services. 1 because the Commission concluded that they did not comply with certain statutory and regulatory requirements.² To address the Commission's findings, the Postal Service was given specific instructions concerning the additional information, price revisions, and source data that needed to be provided to the Commission in an amended notice of price adjustment.³ In order to preserve its ability to implement the proposed prices on April 26, 2015, the Postal Service was directed to file its amended notice with the Commission no later than March 12, 2015. As discussed in more detail below, the Postal Service has complied with each of the Commission's directives and recommendations.

¹ The originally proposed CPI prices for Standard Mail, Periodicals, and Package Services are identified in Attachment A (Part I) to the United States Postal Service Notice of Market Dominant Price Adjustment, filed on January 15, 2015.

² Order No. 2378: Order On Price Adjustments for Standard Mail, Periodicals, and Package Services Products (hereinafter "Order 2378"), PRC Docket No. R2015-4 (March 6, 2015), at 2.

³ *Id*, at 6-15, 23-24, 30-31. ⁴ *Id*. at 3.

Attached to this pleading the Postal Service has provided: 1) updated Mail Classification Schedule ("MCS") pages with revised Standard Mail and Periodicals prices;⁵ 2) updated workshare discount tables;⁶ and 3) updated exigent surcharges affected by various rate proposals in this docket.⁷ The Postal Service is also filing revised price cap calculation workpapers (with explanatory prefaces), and other supporting materials requested by the Commission, concurrently with this pleading. The materials are designated as:

USPS-LR-R2015-4/7 Standard Mail Workpapers (Remand)

USPS-LR-R2015-4/8 Periodicals Workpapers (Remand)

USPS-LR-R2015-4/9 Package Services Workpapers (Remand)

The remainder of this pleading is structured as follows. In Part I, the Postal Service outlines the Commission's directives related to Standard Mail and discusses how it has complied with each request. Similarly, in Part II, the Postal Service outlines the Commission's directives related to Periodicals and discusses how it has complied with each request. Finally, in Part III, the Postal Service discusses the Commission's directives related to Package Services, and provides the requested explanations and supplemental information.

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⁵ Attachment A. Revised pages from Attachment A (Part I) to the *United States Postal Service Notice of Market Dominant Price Adjustment*, filed on January 15, 2015, and updated on February 4 and 6, are filed with this pleading. The Postal Service is also filing revised pages from Attachment A (Part II) to inform the Commission and the public about the revised prices including the Exigent surcharge. Updated MCS language for Package Services is not being submitted, as no price changes were required in order to comply with the Commission's requests in Order No. 2378.
⁶ Attachment B.

⁷ Attachment C. For Standard Mail, some Exigent surcharges are blended from other prices which are changing in the remand process. This information was originally submitted as Attachment E to the Postal Service's Notice of Market-Dominant Price Adjustment, filed on January 15, 2015.

I. Standard Mail

In its Order, the Commission required the Postal Service to make three changes to the proposed Standard Mail prices. First, the Commission required the Postal Service to either equalize the nonprofit and commercial dropship and presort discounts, or provide a rational justification for setting these discounts at different levels. Second, the Commission required the Postal Service to reduce five specified workshare discounts that increased even though they exceeded avoided costs. Third, the Commission required the Postal Service to revise Standard Mail billing determinants, so that data from FY 2014 Quarters 3 and 4 are utilized to develop the distribution of Standard Mail volumes that would have been mailed at FSS prices, had those prices been in effect during all of FY 2014. Additionally, the Commission recommended, but did not require, that the Postal Service: 1) propose new prices that equalize dropship discounts for the same level of destination entry; and 2) propose new prices that equalize 12 Standard Mail Flats and 3 Standard Mail Parcels discounts where the piece-rated piece presort discount did not equal the pound-rated piece discount.

As demonstrated in the materials submitted as part of USPS-LR-R2015-4/7, and in Attachments A, B, and C, the Postal Service has provided a set of revised prices that addresses each of the Commission's directives. In particular, the Postal Service has elected to equalize all nonprofit and commercial discounts, reduce the five workshare discounts identified by the Commission, and revise the Standard Mail billing

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⁸ Order No. 2378, at 9.

⁹ *Id.* at 11-14.

¹⁰ *Id.* at 14-15.

^{10.} at 14-1 11 *Id*. at 16.

¹² *Id.* at 15.

determinants to include FY 2014 Quarter 4 data. Additionally, the revised prices largely adopt both of the Commission's recommended changes. The revised prices not only equalize the piece-rated piece presort discounts with the pound-rated piece discounts, but also equalize dropship discounts (within each product) for the same level of destination entry. As a result of these changes, the revised prices generate a 1.936 percentage price increase for the Standard Mail class.

With respect to designing a new set of prices that responded to all of the Commission's directives, it should be noted that some workshare discount passthroughs fluctuated from what was originally proposed in this docket. See Attachment B. For example, the passthrough for Automation 5-Digit Flats pound-rated pieces increased from 105.9 percent to 107.1 percent. Conversely, the passthough for the Automation 3-Digit Flats pound-rated pieces decreased from 133.3 percent to 131.0 percent. However, no passthrough that was previously under 100 percent was allowed to exceed 100 percent in the revised prices. For each workshare passthrough that was above 100 percent in the prices originally proposed in this docket, and remains above 100 percent in the revised prices, the Postal Service relies on the same statutory exceptions it has previously put forward during this proceeding.

Finally, beyond the price revisions necessary to comply with the Commission's directives, the Postal Service is also making one additional change to Standard Mail prices. In particular, the Postal Service is proposing to change the Forwarding-and-Return Service fees from \$0.43 to \$0.435 for letters, and from \$1.39 to \$1.395 for flats.

After the exigent surcharges are applied, the final fees will be \$0.45 and \$1.40 for letters

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¹³ The files supporting these revisions have been provided as part of USPS-LR-R2015-4/7. The excel workbooks can be found in *Standard FSS BD's.zip*.

and flats, respectively. This change is necessary to accommodate certain accounting systems that are unable to accept prices calculated to the third decimal place. These changes do not impact the price cap calculation, as there was zero volume for these price cells.

II. Periodicals

In its order, the Commission required the Postal Service to make two changes to the proposed Periodicals prices. First, the Commission required the Postal Service to identify the number of bundles, sacks, and pallets in FY 2014 Quarters 1 and 2 that would have been mailed at FSS prices had those prices been available. 14 In conjunction with these changes, the Postal Service was also required to identify the non-FSS prices that the bundles, sacks, and pallets were actually charged. ¹⁵ To assist the Postal Service with its compliance with this directive, the Commission provided several suggested methodologies in *PRC-LR-R2015-4/4 - Periodicals BD Adjustment* Methods, filed on March 6, 2015. Second, the PRC also recommended that the Postal Service utilize the full price cap authority available for the Periodicals class, or provide a rationale for not doing so, as required by 39 C.F.R. § 3010.12(b)(4).¹⁶

As demonstrated in the materials submitted as part of USPS-LR-R2015-4/8, the Postal Service has proposed a set of revised Periodicals prices that addresses each of the Commission's directives. In particular, the Postal Service has utilized proposed Commission methodologies to identify the number of bundles, sacks, and pallets that would have been mailed at FSS prices (in FY 2014 Quarters 1 and 2), had those prices

Order No. 2378, at 23-24.
 Id.

¹⁶ *Id*. at 24.

been available. The Postal Service adopted Commission methodology #3 for bundles, Commission methodology #2 for sacks, and Commission methodology #2 for pallets.

Additionally, the revised prices utilize all available cap space (1.966 percent) for the Periodicals class.

With respect to the utilization of Commission methodology #3 for bundles, it should be noted that it was necessary to make one minor change to the Commission's model. Bundle distribution methodology #3 provides only total Outside County bundles, using FY 2014 billing determinants. To accurately calculate the revenue lost from the preferred rate discounts under existing and proposed rates, it is necessary to distribute Outside County bundles to the Regular Rate, Nonprofit, and Classroom categories. For each container presort and bundle presort level combination, bundles were distributed proportionally to Regular Rate, Nonprofit, and Classroom, based on the FY 2014 billing determinants.

For the Periodicals class, only advertising pound prices have been revised. The resulting prices remain below the Docket No. R2013-10 advertising pound prices. Other prices are not being changed in this remand filing, in order to avoid greater overall price increases for publications with high editorial content.

III. Package Services

At page 30 of Order No. 2378, the Commission directed the Postal Service to provide additional information concerning billing determinant adjustments, and to make a correction to the price cap calculation workpapers, for the Package Services class. In Particular, the Commission directed the Postal Service to: 1) provide the FY 2014 Quarter 4 Package Service billing determinant data with BPM Flats FSS volumes; 2)

provide the "Special Weight Report" source data for each quarter of FY 2014; 3) provide an explanation of the difference between the FY 2014 BPM Flats FSS volume percentage and the FY 2014 Standard Mail and Periodicals Flats FSS volumes percentages; 4) provide an explanation of the differences between the BPM Flats FSS Volume and the estimate of BPM Flats processed on FSS using the Commission's accepted methodology; 5) provide the information required by 39 C.F.R. § 3010.23(d), including an explanation, information, and calculations regarding the adjustment of the Package Services billing determinants as used in the Package Services price cap calculation; and 6) Correct the price cap calculation workpapers to reflect that the barcode discount was eliminated in Docket NO. R2013-10.

In response to these directives, the Postal Service provides the following explanations. Supporting documentation is provided in USPS-LR-R2015-4/9, which is being submitted concurrently with this filing. No price changes were required to respond to the Commission's requests.

a) Information required by 39 C.F.R. § 3010.23(d)

The adjustments made to the FY 2014 billing determinants were as follows:

- The IMB Discount of \$0.001 was applied to the appropriate volume: Due to an oversight, the discount was not appropriately applied. The applicable Volume was 62,166,333. This resulted in discounts of \$62,166. Updates were made by inserting the \$62,166 into cell C47 in the "Presort Flats BD" tab of the revised billing determinants filed on March 3, 2015.
- Additional Presort Flats volume was reported: 16,782,821 pieces of Presort
 Flats volume was not included in the original billing determinants file. This error

was corrected by including it in the March 3, 2015 billing determinant revision.

The volumes were aligned with the revised end-of-year RPW data. This accounts for the increase in the reported Presort Flats volume.

- Reduced Presort Flats weight was reported: Similarly, the reported pounds for Presort Flats volume were adjusted in the March 3, 2015 billing determinant revision to be more consistent with the reported RPW weight.
- The \$0.03 per piece Barcode discount was added to the Billing Determinants:
 This discount was previously omitted from the billing determinants due to an oversight. However, the error was corrected in the March 3, 2015 billing determinant revision.
- Volume from category code 104527 (BPM Presort Flat DSCF) was shifted to Basic Presort from FSS Presort: This was due to a labeling error in the Special Weight report that is used to construct BPM billing determinants. The category was initially labeled "FSSSort" in the field identifying the category of BPM mail. The label should have read "Presort". The Commission can see the error as it was originally presented in the uncorrected copy of the Special Weight report, Original Special Weight Report BPMFY14.xlsb, by looking at cells E310, E311, and E312.

The mislabeled cells represent 54,828,682 pieces and 83,155,347 pounds that had to be reallocated to Basic Presort DSCF. This is the reason why FSS Presort Volume changed so significantly between the February 6, 2015 Billing Determinants and the March 3, 2015 Billing Determinants. The actual FSS Presort volume reported in the RPW, which is shown in the corrected Special

Weight Report, *Corrected Special Weight Report BPMFY14.xlsx*, and in the March 3, 2015 billing determinants, is 7,316,313 pieces for FY 2014. This represents the complete RPW volume for FSS Presort during the two full Quarters, and one partial Quarter, when this volume was recorded.

b) Differences between BPM Flats FSS Volume and Standard Mail and Periodicals Flats Volumes.

As described in Order 2378, the Postal Service made changes to the price cap calculations on March 3, 2015. These changes significantly impacted the amount of volume reported as BPM FSS volume. As stated in the Response to CHIR No. 14, question 3, the original number included Basic Presort DSCF dropship volume that was mislabeled in the Special Weight Report source data as FSS presort DSCF dropship. The Postal Service has included both the uncorrected Special Weight Report (*Original Special Weight Report BPMFY14.xlsb*) used in the original filing, and the updated Special Weight Report (*Corrected Special Weight Report BPMFY14.xlsx*) which reflects the corrected labeling for the cells.

The Postal Service acknowledges that the resulting percentage of BPM Flats in FSS zones is significantly lower than the percentage of Standard Mail and Periodicals flats in FSS zones. However, for FSS BPM Flats, the Postal Service used historical reported volumes, which is consistent with 39 C.F.R. § 3010.23(d)(3) and the Commission's position on page 27 of Order No. 2378. When FSS prices were implemented in January 2014, for non-DDU volume, BPM FSS preparation (bundles and containers) was required for volume destinating in FSS zones. The Package Services Mailing Statement (Form 3605) supported this with lines for entering volumes

for FSS zones at all entry points. However, in Standard Mail and Periodicals, the Postal Service only had documentation and entry data to support FSS scheme sort. No specific lines were available to indicate whether items were FSS pieces not entered at a DFSS site.

Additionally, there are characteristics of BPM Flats which are different from other flats. For instance, they are heavier and thicker on average than other flat-shaped mail, and consequently tend to have lower pieces per bundle due to the maximum bundle thickness. Additionally, BPM Flats are ineligible for comailing, so they are not as likely to end up in FSS bundles. The delivery densities and pieces per bundle are often different from Standard Mail flats and Periodicals.

c) Differences between BPM Flats FSS Volumes and the Estimate Generated Using the Commission's Accepted Methodology.

As stated in Order 2378, and as required by 39 C.F.R. 3010.23(d)(3), all billing determinant adjustments shall be based on known mail characteristics or historical volume data. In this filing the Postal Service used actual historical volumes for FSS BPM Flats (from the FY 2014 RPW) to develop the adjusted billing determinants and the price cap calculation workpapers. When FSS prices were implemented in January 2014, for non-DDU volume, BPM FSS preparation (for bundles and containers) was required for volume destinating in FSS zones. The Package Services Mailing Statement (form 3605) supported this with lines for entering volumes for FSS zones at all entry points. All reported FSS volumes were rolled up into the Presort FSS volume category from January 26, 2014 through the end of the fiscal year. These volumes were the basis of the billing determinants used in this filing.

Late in FY 2014 Q4, the data for Carrier Route FSS volume began to be disaggregated from FSS Presort. Due to the limited duration of this disaggregated data, the Postal Service used the weighted volume distribution between presort and carrier route by cell, to distribute the FSS volume between FSS carrier route and FSS presort. The Postal Service annualized the partial year data (actuals) to account for volumes in Q1, and partial Q2, to complete the adjusted billing determinants. Please see, Demonstration of Presort BPM Flats Billing Determinants Adjustment with Walkthrough Description.xlsx, included in USPS-LR-R2015-4/9, for a step by step progression of the adjustments. In sum, the Postal Service methodology used historical data as the foundation of its calculations.

In contrast, the Commission's accepted methodology estimates Bound Printed Matter Flats pieces handled in FSS operations from the IOCS-based cost share for Bound Printed Matter Flats in the FSS cost pools. As explained below, this analysis is likely to overstate FSS volume for Bound Printed Matter Flats even in cases where it may produce relatively reliable estimates of FSS pieces for other products.

Since IOCS data provide shares of work time associated with products, rather than shares of pieces, estimating product piece shares from product cost shares implicitly assumes that the productivity is approximately uniform across products. This assumption may be reasonable for products with average cost-causing characteristics (e.g., pieces per bundle or weight per piece). However, Bound Printed Matter Flats are considerably heavier and thicker on average than other flat-shape products, and consequently tend to have low pieces per bundle due to the maximum thickness

allowed for FSS bundles. These high-cost characteristics, in turn, will tend to reduce the effective productivity for handling Bound Printed Matter Flats in FSS operations.

Significantly, the Stand-Alone Mail Prep operation (MODS operation 530) comprises a majority of labor in the FSS cost pools. A major activity in operation 530 is breaking bundles of FSS pieces and placing pieces into trays for induction into the FSS sorting machine (MODS operation 538). Some prep activities, such as removing shrinkwrap or banding from bundles, may be assumed to have more-or-less constant costs per bundle. However, the costs per piece of such activities will be relatively high for products with low pieces per bundle. Similar factors will affect other "allied labor" activities included in the FSS cost pools.

It also should be noted that estimates of FSS pieces for Bound Printed Matter Flats are subject to significant sampling variability. As shown in Docket No. ACR2014, USPS-FY14-37, the coefficient of variation (relative standard deviation) of the mail processing labor cost estimate for Bound Printed Matter Flats is 8.15 percent. The effective sample size for the FSS costs of Bound Printed Matter Flats costs is much smaller, as FSS cost pools account for only 11.3 percent of Bound Printed Matter Flats mail processing labor cost. The FSS cost estimate for Bound Printed Matter Flats is accordingly likely to exhibit a wide sampling margin of error, particularly relative to products that account for a greater share of FSS costs.¹⁷

In summary, the assumption that unit costs are the same for all flats processed via FSS is flawed. Fewer BPM flats will fit in an FSS Tray, thus the time needed to

¹⁷ For instance, since the sampling standard deviation tends to vary inversely with the square root of the sample size, a 1/9th sample (~11.1 percent) would tend to have a relative standard error three times that of a full sample. Extended to the case of FSS costs for Bound Printed Matter Flats, a rough estimate of the FSS cost CV is approximately 24 percent (~3 times the 8.15 percent mail processing cost CV).

process these mailpieces will be greater than the time to process Standard Mail or Periodicals. For these, and the other reasons mentioned above, the Postal Service's use of historical volumes to adjust BPM billing determinants is preferable.

d) Corrected Price Cap Calculation Workpapers.

The Postal Service has corrected price cap calculation workpapers in a few small, but significant ways. First, the 3 cent barcode discount has been removed from all adjusted or annualized billing determinants, including those presented in the price cap calculation file included in USPS-LR-R2015-4/9, as *CAPCAL-PACKSERV-R2015-4_REMAND_USPS.xlsx*. By removing the discount the revenue at current rates was increased by 421,835 dollars. This increase was enough to pull the total percentage price increase for Package Services to 1.947 percent, which is below the price cap of 1.966 percent.

The second change was very minor. While creating a walkthrough file that is being filed in USPS-LR-R2015-4/9 to aid the Commission in understanding the annualization and distribution of volumes and weights in the adjusted billing determinants, it was discovered that the FSS Presort Weight had not been annualized in the previously filed price cap calculation workpapers. Cell L51 in the "BD for BPM Presort Flats" tab has been updated to show the annualized weight for FSS Presort DDU Entry. This correction increased the previously reported number by 63 pieces. The financial impact is additional after rates revenue of \$1.36.

Additionally, in USPS-LR-R2015-4/9, the Postal Service has provided a file that will be of great aid to the Commission in: 1) verifying the Postal Service's methodology for annualizing and adjusting the billing determinants used in the price cap compliance

calculations; and 2) understanding how these billing determinants flow into the price cap

calculation workpapers. The file, Demonstration of Presort BPM Flats Billing

Determinants Adjustment with Walkthrough Description.xlsx, is a set of BPM billing

determinants with additional tabs that illustrate the progression of the Postal Service's

methodology for annualizing and adjusting the BPM Presort billing determinants. This

file begins with the unadjusted billing determinants, filed on March 3, 2015, and ends

with a copy of the "BD for BPM Presort Flats" tab from the price cap calculation

workpapers. Tab "Walkthrough Description" describes each of the tabs in this file and

explains the relationships between them.

IV. Conclusion

As explained above, the Postal Service has complied with the Commission's

directives in Order No 2378. Accordingly, the Postal Service respectfully requests that

the Commission expeditiously approve the proposed rates for Standard Mail,

Periodicals, and Package Services.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

Chief Counsel, Pricing & Product Support

John F. Rosato

David H. Rubin

David I II I I

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 (202) 268-2986, Fax -6187

March 12, 2015

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ATTACHMENT A -- PART 1

(Revised MCS Pages)

1200 Standard Mail (Commercial and Nonprofit)

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1205 High Density and Saturation Letters

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1205.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

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- Picture Permit Imprint Indicia
- EDDM Coupon Program (March 1, 2014 to December 31, 2014)
- High Density and Saturation Incentive Program (January 1, 2014 to December 31, 2014)
- Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)
- Earned Value Reply Mail Promotion (April May 1, 2015 2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- <u>Advanced and Emerging Technology Near Field Communication</u>
 Promotion (<u>August May</u> 1, <u>2015-2014</u> to <u>October 31, 2015 September 30, 2014</u>)
- Mail Drives Mobile Engagement Commerce-Promotion (November July 1, 2015 2014 to December 31, 2015 2014)

1205.6 Prices

Saturation Letters (3.<u>5</u>3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.194	0.117	
DNDC	0.162	0.085	
DSCF	0.151	0.074	

High Density Plus Letters (3.53 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.204	0.127	
DNDC	0.172	0.095	
DSCF	0.161	0.084	

High Density Letters (3.53 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.207	0.130	
DNDC	<mark>0.17</mark> 5	0.098	
DSCF	0.164	0.087	

Saturation, High Density Plus, and High Density Nonautomation Letters (3.3 ounces or less) Commercial

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
None	0.205	0.215	0.235	
DNDC	0.172	0.182	0.202	
DSCF	0.162	0.172	0.192	

Saturation, High Density Plus, and High Density Nonautomation Letters (3.3 ounces or less) Nonprofit

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
None	0.130	0.140	0.160	
DNDC	0.097	0.107	0.127	
DSCF	0.087	0.097	0.117	

Saturation, High Density Plus, and High Density Nonautomation Letters (more than 3.3 ounces) Commercial and Nonprofit

Saturation, High Density Plus, and High Density letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit)

Saturation, High Density Plus, and High Density Flats price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

a. Per Piece

	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
Automation	0.064	0.075	0.079	
Nonautomation	0.076	0.083	0.107	

b. Per Pound

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density -(\$)	
None	0.612	0.612	0.612	
DNDC	0.451	0.451	0.451	
DSCF	0.403	0.403	0.403	

Saturation, High Density Plus, and High Density Letters (more than 3.3 ounces) Nonprofit

a. Per Piece

	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
Automation	0.025	0.034	0.038	
Nonautomation	0.035	0.042	0.066	

b. Per Pound

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density - (\$)	
None	0.442	0.442	0.442	
DNDC	0.281	0.281	0.281	
DSCF	0.233	0.233	0.233	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.435 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters including a Repositionable Note

Add \$0.000 for each letter bearing a Repositionable Note.

Full-service Intelligent Mail Option

- Earned Value Reply Mail Promotion: Flats Only (April May 1, 2015 2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- Advanced and Emerging Technology Near Field Communication Promotion: Flats Only (August May 1, 2015-2014 to October 31, 2015 September 30, 2014)
- Mail Drives Mobile Engagement Commerce Promotion: Flats Only (November July 1, 2015 2014 to December 31, 2015 2014)

1210.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	Comm (\$			orofit \$)
	EDDM	Other	EDDM	Other
Origin	0.206	0.205	<u>0.131</u>	0.130
DNDC	0.173	0.172	0.098	0.097
DSCF	0.163	0.162	0.088	0.087
DDU	0.154	0.153	0.079	0.078

Saturation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Comm(\$			orofit \$)
	EDDM	Other	EDDM	<u>Other</u>
Per Piece	0.079	0.078	0.039	0.038

b. Per Pound

Entry Point	Commercial (\$)		-	
	EDDM	<u>Other</u>	EDDM	<u>Other</u>
Origin	<u>0.617</u>	0.615	0.445	0.445
DNDC	<u>0.455</u>	0.454	0.284	0.284
DSCF	<u>0.406</u>	0.406	0.236	0.236
DDU	0.352	0.363	<u>0.193</u>	0.193

Saturation Parcels

a. Per Piece

	Comm	nercial	Nonprofit	
Mailing Volume Tier	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.286	0.330	0.215	0.248
200,001-400,000	0.275	0.319	0.207	0.240
400,001-600,000	0.264	0.308	0.198	0.231
600,001-800,000	0.253	0.297	0.190	0.223
800,000-1,000,000	0.242	0.286	0.182	0.215
Over 1,000,000	0.231	0.275	0.174	0.207

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)	
Entry Point/ Presort	Pallet	Pallet	
DNDC – 3-Digit	50.176	40.141	
DNDC – 5-Digit	81.584	65.267	
DSCF – <u>5</u> 3-Digit	38.225	30.580	
Pallet Presort	Carton/Sack	Carton/Sack	
3-Digit	6.833	5.567	

High Density Plus Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.215	0.140	
DNDC	0.182	0.107	
DSCF <mark>/DFSS</mark>	0.172	0.097	
DFSS Facility	0.194	0.114	
DFSS Scheme	0.187	0.108	
DDU	0.163	0.088	

High Density Plus Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)	
Per Piece DFSS	0.085	0.043	
Per Piece - Other	0.088	0.048	

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.615	0.445	
DNDC	0.454	0.284	
DSCF <mark>/DFSS</mark>	0.406	0.236	
DFSS Facility	0.406	0.236	
DFSS Scheme	0.406	0.236	
DDU	0.363	0.193	

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.235	<mark>0.160</mark>	
DNDC	0.202	0.127	
DSCF <mark>/DFSS</mark>	0.192	0.117	
DFSS Facility	0.199	0.119	
DFSS Scheme	0.198	0.118	
DDU	0.183	0.108	

High Density Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)	
Per Piece - DFSS	0.110	0.068	
Per Piece - Other	0.108	0.068	

b. Per Pound

	T		
Entry Point	Commercial	Nonprofit	
Line y i onit		•	
	(\$)	(\$)	
	(Ψ)	(Ψ)	

Origin	0.615	0.445	
DNDC	0.454	0.284	
DSCF <mark>/DFSS</mark>	0.406	0.236	
DFSS Facility	0.420	0.243	
DFSS Scheme	0.420	0.236	
DDU	0.363	0.193	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Flat-shaped pieces including a Detached Address Label

Add \$0.03<u>5</u>4 for each piece addressed using a Detached Address Label with no advertising, and \$0.03<u>5</u>4 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.355095 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

1215.6 Prices

Carrier Route Letters (3.53 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.290	0.216	
DNDC	0.256	0.182	
DSCF	0.246	0.172	

Carrier Route Letters weighing greater than 3.3 ounces

Automation-compatible barcoded carrier route letter-sized pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats Standard Mail (Commercial and Nonprofit) Carrier Route piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation basic carrier route letters pay prices shown in 1215.6 Carrier Route Flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Carrier Route Nonautomation Letters weighing greater than 3.35 ounces

Carrier Route letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Carrier Route Flats price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)		Nonp (\$		
	5-Digit Pallet	<u>Other</u>	<u>5-Digit</u> <u>Pallet</u>	<u>Other</u>	
Origin	0.285	0.290	0.211	0.216	
DNDC	0.251	0.256	0.177	0.182	
DSCF	0.241	0.246	<u>0.167</u>	0.172	
DFSS Facility		0.251		0.171	
DFSS Scheme		0.250		0.170	
DDU	0.233	0.238	<u>0.159</u>	0.164	

Carrier Route Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Entry Point	Commercial (\$)		Nonprofit (\$)		
	5-Digit Pallets Other		5-Digit Pallets	<u>Other</u>	
Per Piece - DFSS	0.143		0.101		
Per Piece - Other	0.144		0.102		
<u>Origin</u>	0.140	0.145	0.101	0.106	
DNDC	<u>0.140</u>	0.145	<u>0.101</u>	0.106	
DSCF	<u>0.140</u>	0.145	<u>0.101</u>	<u>0.106</u>	
DDU	0.140	0.145	<u>0.101</u>	<u>0.106</u>	

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)		
	5-Digit Pallets Other		5-Digit Pallets	<u>Other</u>	
Origin	0.701	0.701	<u>0.531</u>	<u>0.531</u>	
DNDC	0.540	<u>0.540</u>	<u>0.370</u>	<u>0.370</u>	
DSCF	0.492	<u>0.492</u>	0.322	0.322	
DFSS Facility	0.513		0.335		
DFSS Scheme	0.513		0.335		
DDU	0.449	0.449	0.279	0.279	

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.435365 per piece, forwarded flats pay \$1.355095 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters and Flats including a Repositionable Note

Add \$0.000 for each letter or flat bearing a Repositionable Note.

Full-service Intelligent Mail Option: Letter and Flats Only

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.0204 for each piece that includes Picture Permit Imprint Indicia.

Branded Color Mobile Technology Promotion: Letters and Flats Only (February 1, 2014 to March 31, 2014)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail present or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.

Earned Value Reply Mail Promotion: Letters and Flats Only (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 20143 Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 20154.

1220 Letters

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1220.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

* * * * *

- Picture Permit Imprint Indicia
- Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)
- Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- <u>Advanced and Emerging Technology Near Field Communication</u>
 Promotion (<u>August May</u> 1, <u>2015 2014</u> to <u>October 31, 2015</u> <u>September 30, 2014</u>)
- Mail Drives Mobile Engagement Commerce-Promotion (Nevember July 1, 2015 2014-to December 31, 2015-2014)

1220.6 Prices

Automation Letters (3.<u>5</u>3 ounces or less)

	Commercial				Nonprofit			
Entry Point	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.255	0.274	0.274	0.293	0.140	0.159	0.159	0.178
DNDC	0.220	0.239	0.239	0.258	0.105	0.124	0.124	0.143
DSCF	0.211	0.230	0.230	n/a	0.096	0.115	0.115	n/a

Machinable Letters (3.3 ounces or less)

	Comm	nercial	Nonprofit		
Entry Point	AADC Mixed AADC (\$)		AADC (\$)	Mixed AADC (\$)	
Origin	0.292	0.309	0.173	0.190	
DNDC	0.257	0.274	0.138	0.155	
DSCF	0.248	n/a	0.129	n/a	

Nonmachinable Letters (3.3 ounces or less)

	Commercial				Nonprofit			
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.464	0.553	0.579	0.653	0.344	0.433	0.459	0.533
DNDC	0.429	0.518	0.544	0.618	0.309	0.398	0.424	0.498
DSCF	0.420	0.509	0.535	n/a	0.300	0.389	0.415	n/a

Pieces weighing more than 3.3 ounces but not more than 3.5 ounces

Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation Pieces weighing greater than 3.3 ounces

Letters pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Flats price tables (1225.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
Entry Point	5-Digit	3-Digit	ADC (\$)	Mixed ADC (\$)	5-Digit	3-Digit	ADC (\$)	Mixed ADC (\$)
Per Piece	0.265	0.333	0.387	0.438	0.140	0.208	0.262	0.313

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.782	0.676	
DNDC	0.616	0.510	
DSCF	0.566	0.460	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.435365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters including a Repositionable Note

Add \$0.000 for each letter bearing a Repositionable Note.

Full-service Intelligent Mail Option: Automation Letters Only

- Move Update Noncompliance Charge
- Move Update Assessment Charge

1225.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

* * * * *

- Picture Permit Imprint Indicia
- Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)
- Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- Advanced and Emerging Technology Near Field Communication Promotion (August May 1, 2015 2014 to October 31, 2015 September 30, 2014)
- Mail Drives Mobile Engagement Commerce Promotion (Nevember July 1, 2015 2014 to December 31, 2015 2014)

1225.6 Prices

Automation Flats (3.3 ounces or less)

	Commercial							
Entry Point	DFSS Scheme Pallet/Container	DFSS Non-Scheme Pallet/Container	5- Digit	3- Digit	ADC (\$)	Mixed ADC (\$)		
	(\$)	Facility Page 1	(\$)	(\$)				
		(\$)						
Origin	0.301	0.331	0.376	0.467	0.522	0.539		
DNDC	0.268	0.298	0.343	0.434	0.489	0.506		
DSCF	0.258	0.288	0.333	0.424	0.479	n/a		
DFSS	0.253	<u>0.283n/a</u>	n/a	n/a	n/a	n/a		

	Nonprofit							
Entry Point	DFSS Scheme Pallet/Container	DFSS Non-Scheme Pallet/Container	5- Digit	3- Digit	ADC (\$)	Mixed ADC (\$)		
	(\$)	Facility	(\$)	(\$)				
		(\$)						
Origin	0.162	0.192	0.237	0.328	0.383	0.400		
DNDC	0.129	<mark>0.159</mark>	0.204	0.295	0.350	0.367		
DSCF	0.119	0.149	0.194	0.285	0.340	n/a		
DFSS	0.114	<u>0.144n/a</u>	n/a	n/a	n/a	n/a		

Automation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial							
Entry Point	DFSS_Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)	
Per Piece – DFSS	0.225	n/a	n/a	n/a	n/a	n/a	
Per Piece – Other	n/a						
<u>Origin</u>	0.144	0.174	0.219	0.310	0.365	0.382	
DNDC	0.144	0.174	0.219	0.310	0.365	0.382	
DSCF	<u>0.144</u>	<u>0.174</u>	0.219	<u>0.310</u>	<u>0.365</u>	<mark>n/a</mark>	
<u>DFSS</u>	<u>0.139</u>	<u>0.169</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	

	Nonprofit							
Entry Point	DFSS Scheme Pallet/Container (\$)	<u>D</u> FSS <u>Non-Scheme</u> <u>Pallet/Container</u> <u>Facility</u> (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)		
Per Piece – DFSS		n/a	n/a	n/a	n/a	n/a		
Per Piece – Other	n/a							
<u>Origin</u>	0.026	<u>0.056</u>	0.101	0.192	0.247	0.264		
DNDC	<u>0.026</u>	<u>0.056</u>	0.101	0.192	0.247	0.264		
DSCF	0.026	<u>0.056</u>	0.101	0.192	0.247	<u>n/a</u>		
<u>DFSS</u>	<u>0.021</u>	<u>0.051</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>		

b. Per Pound

	Commercial							
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)		
Origin	0.763	0.763	0.763	0.763	0.763	0.763		
DNDC	0.602	0.602	0.602	0.602	0.602	0.602		
DSCF	0.554	0.554	0.554	0.554	0.554	n/a		
DFSS	<mark>0.554</mark>	<mark>0.554</mark>	n/a	n/a	n/a	n/a		

	Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)	
Origin	0.660	0.660	0.660	0.660	0.660	0.660	
DNDC	0.499	0.499	0.499	0.499	0.499	0.499	
DSCF	0.451	0.451	0.451	0.451	0.451	n/a	
DFSS	0.451	n/a 0.451	n/a	n/a	n/a	n/a	

Nonautomation Flats (3.3 ounces or less)

	Commercial					
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.405	0.410	0.425	0.494	0.546	0.580
DNDC	0.372	0.377	0.392	0.461	0.513	0.547
DSCF	0.362	0.367	0.382	0.451	0.503	n/a
DFSS	0.357	n/a 0.362	n/a	n/a	n/a	n/a

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS-Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.265	0.270	0.285	0.354	0.406	0.440
DNDC	0.232	0.237	0.252	0.321	0.373	0.407
DSCF	0.222	0.227	0.242	0.311	0.363	n/a
DFSS	0.217	n/a 0.222	n/a	n/a	n/a	n/a

Nonautomation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial							
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)	
Per Piece – DFSS		n/a	n/a	n/a	n/a	n/a	
Per Piece – Other	n/a						
Origin	0.248	0.253	0.268	0.337	0.389	0.423	
DNDC	0.248	0.253	0.268	0.337	0.389	0.423	
DSCF	0.248	<u>0.253</u>	0.268	0.337	0.389	<u>n/a</u>	
<u>DFSS</u>	0.243	0.248	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	

Nonprofit	

Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece – DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece – Other	n/a					
<u>Origin</u>	0.129	<u>0.134</u>	0.149	<u>0.218</u>	0.270	0.304
DNDC	<u>0.129</u>	<u>0.134</u>	<u>0.149</u>	<u>0.218</u>	0.270	0.304
DSCF	<u>0.129</u>	<u>0.134</u>	<u>0.149</u>	<u>0.218</u>	0.270	<u>n/a</u>
<u>DFSS</u>	0.124	<u>0.129</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

b. Per Pound

	Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)	
Origin	0.763	0.763	0.763	0.763	0.763	0.763	
DNDC	0.602	0.602	0.602	0.602	0.602	0.602	
DSCF	0.554	0.554	0.554	0.554	0.554	n/a	
DFSS	0.554	n/a 0.554	n/a	n/a	n/a	n/a	

Nonprofit

Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.660	0.660	0.660	0.660	0.660	0.660
DNDC	0.499	0.499	0.499	0.499	0.499	0.499
DSCF	0.451	0.451	0.451	0.451	0.451	n/a
DFSS	0.451	n/a 0.451	n/a	n/a	n/a	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)	
Per Piece	0.440	0.325	

Move Update Noncompliance Charge

Add 0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.355095 per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

Full-service Intelligent Mail Option: Automation Flats Only

Subtract \$0.001 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.0204 for each piece that includes Picture Permit Imprint Indicia.

Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.

Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 20143 Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 20154.

1230 Parcels

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1230.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and-Return Services
- Ancillary Services (1505)
 - o Address Correction Service (1505.1)
 - o Bulk Parcel Return Service (1505.4)
 - Certificate of Mailing (1505.6)
 - o USPS Tracking (1505.8)
 - o Bulk Insurance (1505.9)
 - o Return Receipt (1505.13)
 - Restricted Delivery (1505.15)
 - o Shipper-Paid Forwarding: parcels only (1505.16)

1230.6 Prices

Marketing Parcels (3.3 ounces or less)

	Commercial			Nonprofit				
Entry Point	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.195	1.596	n/a	n/a	1.112	1.513
DNDC	0.722	0.817	1.144	n/a	0.639	0.734	1.061	n/a
DSCF	0.668	0.763	n/a	n/a	0.585	0.680	n/a	n/a
DDU	0.627	n/a	n/a	n/a	0.544	n/a	n/a	n/a

Marketing Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial			Nonprofit				
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.539	0.634	0.961	1.362	0.474	0.569	0.896	1.297

b. Per Pound

	Commercial			Nonprofit				
Entry Point	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.133	1.133	n/a	n/a	1.046	1.046
DNDC	0.888	0.888	0.888	n/a	0.801	0.801	0.801	n/a
DSCF	0.625	0.625	n/a	n/a	0.538	0.538	n/a	n/a
DDU	0.428	n/a	n/a	n/a	0.341	n/a	n/a	n/a

Nonprofit Machinable Parcels Prices (3.5 ounces or more)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	
Per Piece	0.607	0.893	1.291	

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	
Origin	n/a	1.048	1.048	
DNDC	0.803	0.803	n/a	
DSCF	0.540	n/a	n/a	
DDU	0.343	n/a	n/a	

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.282	<mark>1.616</mark>
DNDC	0.773	0.851	1.232	n/a
DSCF	0.718	0.796	n/a	n/a
DDU	0.678	n/a	n/a	n/a

Nonprofit Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry	5-Digit	SCF	NDC	Mixed NDC
Point	(\$)	(\$)	(\$)	(\$)
Per Piece	0.607	0.685	1.066	1.400

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.048	1.048
DNDC	0.803	0.803	0.803	n/a
DSCF	0.540	0.540	n/a	n/a
DDU	0.343	n/a	n/a	n/a

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

Non-barcoded Parcels Surcharge

For non-barcoded parcels, add \$0.0617 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

- FSS Scheme DSCF, DFSS, DADC, DNDC, Origin entry levels
- FSS Facility DSCF, <u>DFSS</u>, DADC, DNDC, Origin entry levels
- 3-Digit/SCF DSCF, DADC, DNDC, Origin entry levels
- ADC DADC, DNDC, Origin entry levels
- Mixed ADC Origin entry level
- b. Sack and Tray Container Price
- Carrier Route/5-Digit DDU, DSCF, DADC, DNDC, Origin entry levels
- FSS Scheme DSCF, <u>DFSS</u>, DADC, DNDC, Origin entry levels
- FSS Facility DSCF, <u>DFSS</u>, DADC, DNDC, Origin entry levels
- 3-Digit/SCF DSCF, DADC, DNDC, Origin entry levels
- ADC DADC, DNDC, Origin entry levels
- Mixed ADC Origin entry level

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1310.6 Prices

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Pound Prices (per pound or fraction thereof)

	Regular		Science of Agriculture		
Entry Level or Zone	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)	
DDU	0.111	0.088	0.083	0.088	
DSCF	0.167	0.132	0.125	0.132	

DFSS	0.167	0.132	0.125	0.132
DADC	0.179	0.141	0.134	0.141
Zones 1 & 2	0.202	0.157	0.152	0.157
Zone 3	0.220	0.157	0.220	0.157
Zone 4	0.272	0.157	0.272	0.157
Zone 5	0.345	0.157	0.345	0.157
Zone 6	0.424	0.157	0.424	0.157
Zone 7	0.518	0.157	0.518	0.157
Zone 8	0.599	0.157	0.599	0.157
Zone 9	0.599	0.157	0.599	0.157

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)	
Saturation	0.145	
High Density	0.168	
Basic	0.202	

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)	
5-Digit	0.216	
3-Digit/SCF	0.284	
ADC	0.304	
Mixed ADC	0.341	

ATTACHMENT A -- PART 2

(Revised MCS Pages)

1200 Standard Mail (Commercial and Nonprofit)

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1205 High Density and Saturation Letters

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1205.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

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- Picture Permit Imprint Indicia
- EDDM Coupon Program (March 1, 2014 to December 31, 2014)
- High Density and Saturation Incentive Program (January 1, 2014 to December 31, 2014)
- Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)
- Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- Advanced and Emerging Technology Near Field Communication Promotion (May 1, 2015 August 1, 2014 to October 31, 2015 September 30, 2014)
- Mail Drives Mobile Engagement Commerce-Promotion (November July 1, 2015 2014-to December 31, 2015-2014)

1205.6 Prices

Saturation Letters (3.<u>5</u>3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.202	0.122	
DNDC	0.169	0.089	
DSCF	0.157	0.077	

High Density Plus Letters (3.53 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.212	0.132	
DNDC	0.179	0.099	
DSCF	0.168	0.087	

High Density Letters (3.53 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.218	0.135	
DNDC	0.182	0.102	
DSCF	0.171	0.090	

Saturation, High Density Plus, and High Density Nonautomation Letters (3.3 ounces or less) Commercial

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
None	0.214	0.225	0.245	
DNDC	0.179	0.191	0.211	
DSCF	0.169	0.181	0.201	

Saturation, High Density Plus, and High Density Nonautomation Letters (3.3 ounces or less) Nonprofit

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
None	0.135	0.148	<mark>0.167</mark>	
DNDC	0.101	0.114	0.133	
DSCF	0.091	0.103	0.122	

Saturation, High Density Plus, and High Density Nonautomation Letters (more than 3.3 ounces) Commercial and Nonprofit

Saturation, High Density Plus, and High Density letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit)

Saturation, High Density Plus, and High Density Flats price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

a. Per Piece

	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
Automation	0.064	0.075	0.079	
Nonautomation	0.076	0.083	0.107	

b. Per Pound

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density -(\$)	
None	0.612	0.612	0.612	
DNDC	0.451	0.451	0.451	
DSCF	0.403	0.403	0.403	

Saturation, High Density Plus, and High Density Letters (more than 3.3 ounces) Nonprofit

a. Per Piece

	Saturation (\$)	High Density Plus (\$)	High Density (\$)	
Automation	0.025	0.034	0.038	
Nonautomation	0.035	0.042	0.066	

b. Per Pound

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density -(\$)	
None	0.442	0.442	0.442	
DNDC	0.281	0.281	0.281	
DSCF	0.233	0.233	0.233	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.45365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters including a Repositionable Note

Add \$0.000 for each letter bearing a Repositionable Note.

Full-service Intelligent Mail Option

- Earned Value Reply Mail Promotion: Flats Only (April May 1, 2015 2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- Advanced and Emerging Technology Near Field Communication Promotion: Flats Only (August May 1, 2015-2014 to October 31, 2015 September 30, 2014)
- Mail Drives Mobile Engagement Commerce-Promotion: Flats Only (November July 1, 2015 2014 to December 31, 2015-2014)

1210.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	Comm (\$		Nonp (\$	
	EDDM	Other	EDDM	<u>Other</u>
Origin	0.215	0.214	<u>0.136</u>	<u>0.135</u>
DNDC	0.180	0.179	0.102	0.101
DSCF	0.170	0.169	0.092	0.091
DDU	0.160	0.159	0.082	0.081

Saturation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Comm (\$			orofit \$)
	<u>EDDM</u>	Other	EDDM	Other
Per Piece	0.082	0.081	0.041	0.040

b. Per Pound

Entry Point	Commercial (\$)			
	EDDM	<u>Other</u>	EDDM	<u>Other</u>
Origin	0.643	0.641	0.464	0.464
DNDC	0.474	0.473	0.296	0.296
DSCF	<u>0.423</u>	0.423	0.246	0.246
DDU	0.367	0.378	0.201	0.201

Saturation Parcels

a. Per Piece

	Commercial		Nonprofit	
Mailing Volume Tier	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.297	0.343	0.223	0.258
200,001-400,000	0.286	0.331	0.215	0.249
400,001-600,000	0.274	0.320	0.206	0.240
600,001-800,000	0.263	0.309	0.197	0.232
800,000-1,000,000	0.251	0.297	0.189	0.223
Over 1,000,000	0.240	0.286	0.181	0.215

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)	
Entry Point/ Presort	Pallet	Pallet	
DNDC – 3-Digit	52.138	41.710	
DNDC – 5-Digit	84.773	67.818	
DSCF – <u>5</u> 3-Digit	39.719	31.775	
Pallet Presort	Carton/Sack	Carton/Sack	
3-Digit	7.100	5.681	

High Density Plus Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.225	0.148	
DNDC	0.191	0.114	
DSCF/DFSS	0.181	0.103	
DFSS Facility	0.194	0.114	
DFSS Scheme	0.187	0.108	
DDU	0.171	0.094	

High Density Plus Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)	
Per Piece DFSS	0.085	0.043	
Per Piece - Other	0.092	0.051	

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.641	0.464	
DNDC	0.473	0.296	
DSCF <mark>/DFSS</mark>	0.423	0.246	
DFSS Facility	0.406	0.236	
DFSS Scheme	0.406	0.236	
DDU	0.378	0.201	

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.245	0.167	
DNDC	0.211	0.133	
DSCF <mark>/DFSS</mark>	0.201	0.122	
DFSS Facility	0.199	0.119	
DFSS-Scheme	0.198	0.118	
DDU	0.191	0.113	

High Density Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)	
Per Piece - DFSS	0.110	0.068	
Per Piece - Other	0.113	0.072	

b. Per Pound

Entry Point Commercial (\$)

Origin	0.641	0.464	
DNDC	0.473	0.296	
DSCF <mark>/DFSS</mark>	0.423	0.246	
DFSS Facility	0.420	0.243	
DFSS Scheme	0.420	0.236	
DDU	0.378	0.201	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Flat-shaped pieces including a Detached Address Label

Add \$0.03<u>6</u>4 for each piece addressed using a Detached Address Label with no advertising, and \$0.03<u>6</u>4 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.40095 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

1215.6 Prices

Carrier Route Letters (3.53 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.302	0.225	
DNDC	0.267	0.190	
DSCF	0.257	0.179	

Carrier Route Letters weighing greater than 3.3 ounces

Automation-compatible barcoded carrier route letter-sized pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats Standard Mail (Commercial and Nonprofit) Carrier Route piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation basic carrier route letters pay prices shown in 1215.6 Carrier Route Flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Carrier Route Nonautomation Letters weighing greater than 3.35 ounces

Carrier Route letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Carrier Route Flats price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)		Nonp (\$		
	5-Digit Pallet	<u>Other</u>	<u>5-Digit</u> <u>Pallet</u>	<u>Other</u>	
Origin	0.297	0.302	0.220	0.225	
DNDC	0.262	0.267	<u>0.185</u>	0.190	
DSCF	0.252	0.257	0.174	0.179	
DFSS Facility		0.251		0.171	
DFSS Scheme		0.250		0.170	
DDU	0.243	0.248	<u>0.166</u>	0. <mark>171</mark>	

Carrier Route Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallets	<u>Other</u>	5-Digit Pallets	<u>Other</u>
Per Piece - DFSS	0.143		0.101	
Per Piece - Other	0.144		0.102	
<u>Origin</u>	0.145	0.150	0.105	0.110
DNDC	0.145	0.150	<u>0.105</u>	0.110
DSCF	<u>0.145</u>	0.150	<u>0.105</u>	0.110
<u>DDU</u>	0.145	0.150	<u>0.105</u>	0.110

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)		
	5-Digit Pallets	<u>Other</u>	5-Digit Pallets	<u>Other</u>	
Origin	0.732	0.732	<u>0.554</u>	<u>0.554</u>	
DNDC	0.554	<u>0.564</u>	0.386	<u>0.386</u>	
DSCF	0.514	<u>0.514</u>	0.336	<u>0.336</u>	
DFSS Facility	0.513		0.335		
DFSS Scheme	0.513		0.335		
DDU	0.469	<u>0.469</u>	0.291	<u>0.291</u>	

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.45 per piece, forwarded flats pay \$1.40095 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters and Flats including a Repositionable Note

Add \$0.000 for each letter or flat bearing a Repositionable Note.

Full-service Intelligent Mail Option: Letter and Flats Only

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

Branded Color Mobile Technology Promotion: Letters and Flats Only (February 1, 2014 to March 31, 2014)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail present or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.

Earned Value Reply Mail Promotion: Letters and Flats Only (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 20143 Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 20154.

1220 Letters

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1220.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

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- Picture Permit Imprint Indicia
- Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)
- Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- Advanced and Emerging Technology Near Field Communication Promotion (August May 1, 2015-2014 to October 31, 2015 September 30, 2014)
- Mail Drives Mobile Engagement Commerce-Promotion (Nevember July 1, 2015 2014-to December 31, 2015-2014)

1220.6 Prices

Automation Letters (3.<u>5</u>3 ounces or less)

	Commercial				Nonprofit			
Entry Point	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.266	0.283	0.283	0.306	0.147	0.164	0.164	0.187
DNDC	0.230	0.247	0.247	0.270	0.111	0.128	0.128	0.151
DSCF	0.221	0.238	0.238	n/a	0.102	0.119	0.119	n/a

Machinable Letters (3.3 ounces or less)

	Comm	nercial	Nonprofit		
Entry Point	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)	
Origin	0.302	0.319	0.179	0.196	
DNDC	0.266	0.283	0.143	0.160	
DSCF	0.256	n/a	0.133	n/a	

Nonmachinable Letters (3.3 ounces or less)

		Comm	nercial			Nonp	orofit	
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.491	0.580	0.606	0.675	0.367	0.456	0.482	0.551
DNDC	0.455	0.544	0.570	0.639	0.331	0.420	0.446	0.515
DSCF	0.446	0.535	0.561	n/a	0.321	0.410	0.436	n/a

Pieces weighing more than 3.3 ounces but not more than 3.5 ounces

Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation Pieces weighing greater than 3.3 ounces

Letters pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Flats price tables (1225.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

		Comm	nercial			Nong	orofit	
Entry Point	5-Digit	3-Digit	ADC (\$)	Mixed ADC (\$)	5-Digit	3-Digit	ADC (\$)	Mixed ADC (\$)
Per Piece	0.265	0.333	0.387	0.438	0.140	0.208	0.262	0.313

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)	
Origin	0.782	0.676	
DNDC	0.616	0.510	
DSCF	0.566	0.460	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.45365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters including a Repositionable Note

Add \$0.000 for each letter bearing a Repositionable Note.

Full-service Intelligent Mail Option: Automation Letters Only

- Move Update Noncompliance Charge
- Move Update Assessment Charge

1225.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

* * * * *

- Picture Permit Imprint Indicia
- Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)
- Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)
- Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)
- <u>Advanced and Emerging Technology Near Field Communication</u>
 Promotion (<u>August May</u> 1, <u>2015-2014</u> to <u>October 31, 2015 September 30, 2014</u>)
- Mail Drives Mobile Engagement Commerce Promotion (Nevember July 1, 2015 2014 to December 31, 2015 2014)

1225.6 Prices

Automation Flats (3.3 ounces or less)

	Commercial									
Entry Point	DFSS Scheme Pallet/Container	DFSS Non-Scheme Pallet/Container	5- Digit	3- Digit	ADC (\$)	Mixed ADC (\$)				
	(\$)	Facility Page 1	(\$)	(\$)						
		(\$)								
Origin	0.313	0.337	0.378	0.479	0.536	0.569				
DNDC	0.278	0.304	0.345	0.445	0.502	0.535				
DSCF	0.269	0.297	0.335	0.435	0.492	n/a				
DFSS	0.264	n/a 0.292	n/a	n/a	n/a	n/a				

Nonprofit

Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.171	0.203	0.249	0.336	0.393	0.426
DNDC	0.138	<mark>0.169</mark>	0.215	0.302	0.359	0.392
DSCF	0.126	0.160	0.205	0.292	0.349	n/a
DFSS	0.133	n/a 0.155	n/a	n/a	n/a	n/a

Automation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial								
Entry Point	DFSS Scheme Pallet/Container	DFSS Non- Scheme Pallet/Container	5- Digit	3- Digit	ADC (\$)	Mixed ADC (\$)			
	(\$)	Facility (\$)	(\$)	(\$)					
Per Piece – DFSS	0.225	n/a	n/a	n/a	n/a	n/a			
Per Piece – Other	n/a								
<u>Origin</u>	<u>0.149</u>	<u>0.178</u>	0.221	0.318	0.375	0.408			
DNDC	<u>0.149</u>	<u>0.178</u>	0.221	0.318	<u>0.375</u>	0.408			
DSCF	<u>0.149</u>	<u>0.178</u>	0.221	<u>0.318</u>	<u>0.375</u>	<u>n/a</u>			
<u>DFSS</u>	<u>0.144</u>	<u>0.173</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>			

	Nonprofit									
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)				
Per Piece – DFSS		n/a	n/a	n/a	n/a	n/a				
Per Piece – Other	n/a									
Origin	0.030	0.064	0.110	<u>0.197</u>	0.254	0.287				
DNDC	0.032	0.064	0.110	<u>0.197</u>	0.254	0.287				
DSCF	0.031	0.064	0.110	<u>0.197</u>	0.254	<u>n/a</u>				
DFSS	0.034	0.059	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>				

b. Per Pound

Commercial									
Entry	ÐFSS	DFSS Non-	5-	3-	ADC	Mixed			
Point	Scheme Pallet/Container	Scheme Pallet/Container	Digit	Digit	(\$)	ADC (\$)			
	(\$)	Facility	(\$)	(\$)	(*/	(1)			
	(17	(\$)							
Origin	0.794	0.790	0.789	0.789	0.789	0.789			
DNDC	0.626	0.624	0.623	0.623	0.623	0.623			
DSCF	0.576	0.575	0.573	0.573	0.573	n/a			
DFSS	0.576	n/a 0.575	n/a	n/a	n/a	n/a			

	Nonprofit									
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)				
Origin	0.683	0.683	0.683	0.683	0.683	0.683				
DNDC	0.516	0.517	0.517	0.517	0.517	0.517				
DSCF	0.466	0.466	0.467	0.467	0.467	n/a				
DFSS	0.466	n/a 0.466	n/a	n/a	n/a	n/a				

Nonautomation Flats (3.3 ounces or less)

		Commercial				
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.423	0.427	0.444	0.507	0.562	0.610
DNDC	0.388	0.391	0.410	0.473	0.528	0.576
DSCF	0.376	0.381	0.399	0.462	0.517	n/a
DFSS	0.374	n/a 0.376	n/a	n/a	n/a	n/a

		Nonprofit				
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS-Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.278	0.281	0.298	0.361	0.416	0.464
DNDC	0.242	0.247	0.264	0.327	0.382	0.430
DSCF	0.233	0.237	0.254	0.317	0.372	n/a
DFSS	0.229	n/a 0.232	n/a	n/a	n/a	n/a

Nonautomation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

		Commercial				
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece – DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece – Other	n/a					
Origin	0.257	<u>0.261</u>	0.279	0.342	0.397	0.445
DNDC	0.257	0.260	0.279	0.342	0.397	0.445
DSCF	<u>0.256</u>	<u>0.261</u>	0.279	0.342	0.397	n/a
DFSS	0.254	<u>0.256</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Nonprofit	N	lo	n	p	r	0	f	it	t
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Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece – DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece – Other	n/a					
<u>Origin</u>	<u>0.139</u>	<u>0.156</u>	<u>0.159</u>	0.222	0.277	0.325
DNDC	<u>0.137</u>	<u>0.155</u>	<u>0.159</u>	0.222	0.277	0.325
DSCF	<u>0.138</u>	<u>0.153</u>	<u>0.159</u>	0.222	0.277	<u>n/a</u>
DFSS	<u>0.134</u>	<u>0.148</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

b. Per Pound

	Commercial									
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)				
Origin	0.789	0.789	0.789	0.789	0.789	0.789				
DNDC	0.623	0.623	0.623	0.623	0.623	0.623				
DSCF	0.573	0.573	0.573	0.573	0.573	n/a				
DFSS	0.574	n/a 0.573	n/a	n/a	n/a	n/a				

Nonprofit

Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non- Scheme Pallet/Container Facility (\$)	5- Digit (\$)	3- Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.683	0.683	0.683	0.683	0.683	0.683
DNDC	0.517	0.517	0.517	0.517	0.517	0.517
DSCF	0.467	0.467	0.467	0.467	0.467	n/a
DFSS	0.468	n/a 0.467	n/a	n/a	n/a	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)	
Per Piece	0.459	0.339	

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.40095 per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

Full-service Intelligent Mail Option: Automation Flats Only

Subtract \$0.001 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.

Earned Value Reply Mail Promotion (April May 1, 2015-2014 to July 31, 2015 June 30, 2014)

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 20143 Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 20154.

1230 Parcels

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1230.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and-Return Services
- Ancillary Services (1505)
 - o Address Correction Service (1505.1)
 - o Bulk Parcel Return Service (1505.4)
 - Certificate of Mailing (1505.6)
 - o USPS Tracking (1505.8)
 - o Bulk Insurance (1505.9)
 - o Return Receipt (1505.13)
 - Restricted Delivery (1505.15)
 - o Shipper-Paid Forwarding: parcels only (1505.16)

1230.6 Prices

Marketing Parcels (3.3 ounces or less)

	Commercial					Nonprofit				
Entry Point	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC		
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
Origin	n/a	n/a	1.258	1.650	n/a	n/a	1.172	1.564		
DNDC	0.746	0.878	1.205	n/a	0.661	0.792	1.120	n/a		
DSCF	0.690	0.822	n/a	n/a	0.605	0.737	n/a	n/a		
DDU	0.648	n/a	n/a	n/a	0.562	n/a	n/a	n/a		

Marketing Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

		Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Per Piece	0.557	0.689	1.016	1.408	0.490	0.622	0.949	1.341	

b. Per Pound

	Commercial					Non	orofit	
Entry Point	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.170	1.170	n/a	n/a	1.081	1.081
DNDC	0.917	0.917	0.917	n/a	0.828	0.828	0.828	n/a
DSCF	0.645	0.645	n/a	n/a	0.556	0.556	n/a	n/a
DDU	0.442	n/a	n/a	n/a	0.353	n/a	n/a	n/a

Nonprofit Machinable Parcels Prices (3.5 ounces or more)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	
Per Piece	0.627	0.922	1.333	

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	
Origin	n/a	1.081	1.081	
DNDC	0.828	0.828	n/a	
DSCF	0.556	n/a	n/a	
DDU	0.353	n/a	n/a	

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.347	1.670
DNDC	0.798	0.914	1.295	n/a
DSCF	0.742	0.856	n/a	n/a
DDU	0.700	n/a	n/a	n/a

Nonprofit Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry	5-Digit	SCF	NDC	Mixed NDC
Point	(\$)	(\$)	(\$)	(\$)
Per Piece	0.627	0.742	1.123	1.447

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.081	1.081
DNDC	0.828	0.828	0.828	n/a
DSCF	0.556	0.556	n/a	n/a
DDU	0.353	n/a	n/a	n/a

Move Update Noncompliance Charge

Add \$0.0733 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.0733 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

Non-barcoded Parcels Surcharge

For non-barcoded parcels, add \$0.0647 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

- FSS Scheme DSCF, DFSS, DADC, DNDC, Origin entry levels
- FSS Facility DSCF, <u>DFSS</u>, DADC, DNDC, Origin entry levels
- 3-Digit/SCF DSCF, DADC, DNDC, Origin entry levels
- ADC DADC, DNDC, Origin entry levels
- Mixed ADC Origin entry level
- b. Sack and Tray Container Price
- Carrier Route/5-Digit DDU, DSCF, DADC, DNDC, Origin entry levels
- FSS Scheme DSCF, <u>DFSS</u>, DADC, DNDC, Origin entry levels
- FSS Facility DSCF, <u>DFSS</u>, DADC, DNDC, Origin entry levels
- 3-Digit/SCF DSCF, DADC, DNDC, Origin entry levels
- ADC DADC, DNDC, Origin entry levels
- Mixed ADC Origin entry level

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1310.6 Prices

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Pound Prices (per pound or fraction thereof)

	Regular		Science of Agriculture	
Entry Level or Zone	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.117	0.093	0.088	0.093
DSCF	0.176	0.140	0.131	0.140

DFSS	0.176	0.140	0.131	0.140
DADC	0.189	0.149	0.141	0.149
Zones 1 & 2	0.213	0.166	0.161	0.166
Zone 3	0.232	0.166	0.232	0.166
Zone 4	0.287	0.166	0.287	0.166
Zone 5	0.364	0.166	0.364	0.166
Zone 6	0.447	0.166	0.447	0.166
Zone 7	0.546	0.166	0.546	0.166
Zone 8	0.632	0.166	0.632	0.166
Zone 9	0.632	0.166	0.632	0.166

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)	
Saturation	0.150	
High Density	0.177	
Basic	0.210	

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)	
5-Digit	0.229	
3-Digit/SCF	0.297	
ADC	0.317	
Mixed ADC	0.353	

ATTACHMENT B

(WORKSHARE DISCOUNT TABLES)

Please see (AttachmentB-Remand.xls), filed concurrently with this pleading. Changes resulting from the new prices submitted today are highlighted in yellow.

ATTACHMENT C

(ADJUSTED EXIGENT SURCHARGES FOR NEW RATE CELLS)

Please see (*Attachment C-Remand.xlsx*), filed concurrently with this pleading. This information was originally submitted as Attachment E to the Postal Service's Notice of Market-Dominant Price Adjustment, filed on January 15, 2015. Changes resulting from the new prices submitted today are highlighted in yellow.